

ECONOMIC PULSE

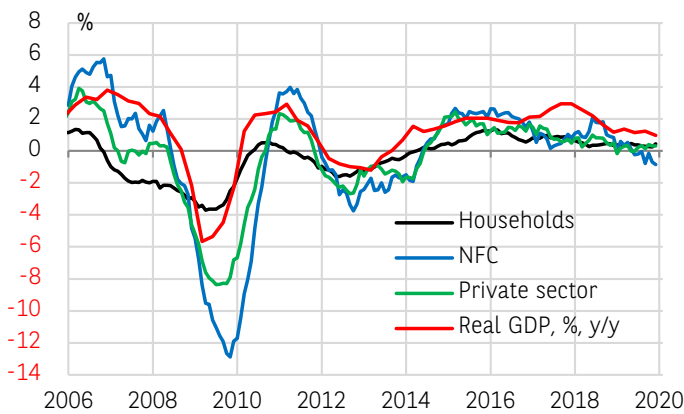
EURO ZONE CREDIT TRENDS: LENDING TO NON-FINANCIAL COMPANIES (NFCs) WEAKER THAN CONSUMER LENDING IN NOVEMBER AND DECEMBER 2019

Credit impulse in the euro zone stabilised in December 2019 (up 0.3%, as in November) against a background of a slight slowing of real GDP growth in the fourth quarter (1.0% from 1.2% in the third quarter). Outstanding bank lending to the private sector maintained its pace of growth in December (up 3.7% year-on-year). For the second month in a row, growth in lending to NFCs was less than that in lending to consumers. The slowdown in growth in lending to NFCs (where the year-on-year figure fell from 3.8% in October to 3.2% in December) was due mainly to

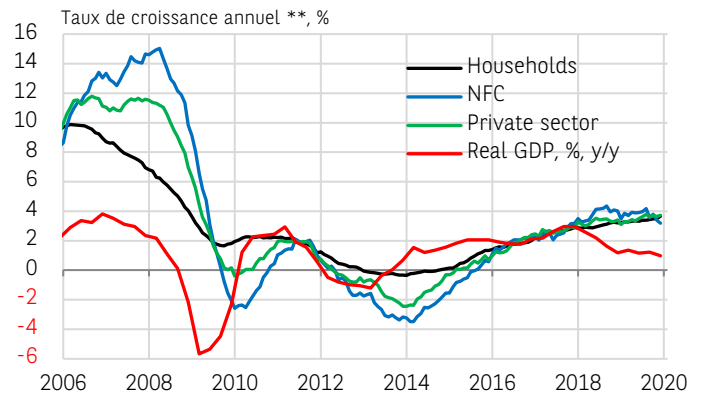
lower investment spending (in France, Germany and most particularly Spain). This was in part offset by strong growth in consumer loans (from 3.5% to 3.7%). For the first time since 2013, more banks are expecting demand for credit from NFCs to slow (first quarter 2020). In contrast, expected demand for consumer mortgages remains strong, driven by low interest rates, particularly in France.

Laurent Quignon

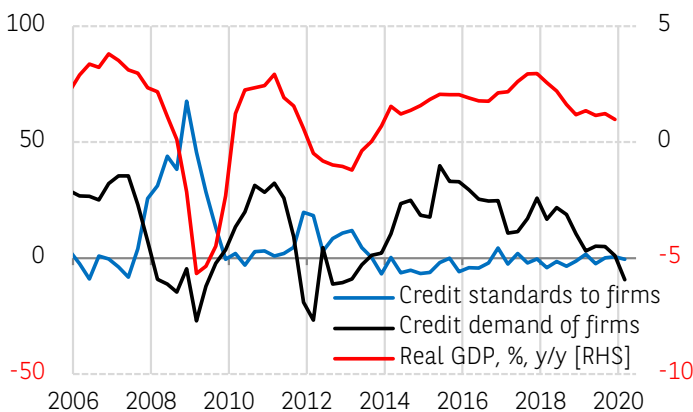
CREDIT IMPULSE*



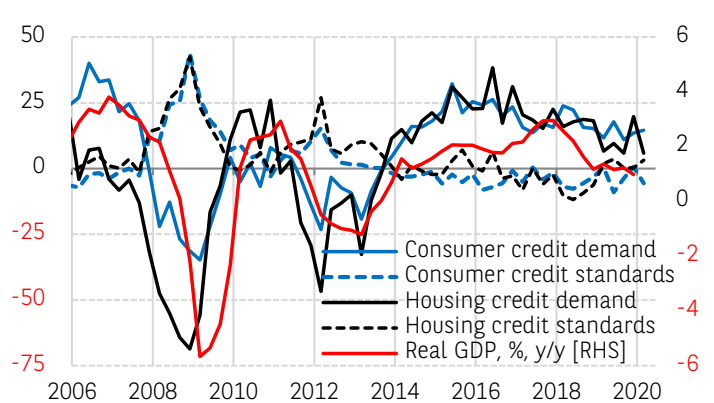
REAL GDP GROWTH VS BANK LENDING



ECB BANK LENDING SURVEY, EXPECTED (FIRMS)



ECB BANK LENDING SURVEY, EXPECTED (HOUSEHOLDS)



SOURCE: ECB, ECB SURVEY ON THE DISTRIBUTION OF CREDIT, BLS, BNP PARIBAS CALCULATIONS

*Credit impulse is measured as the annual change of the annual growth rate of MFI loans ** Adjusted for securitizations

